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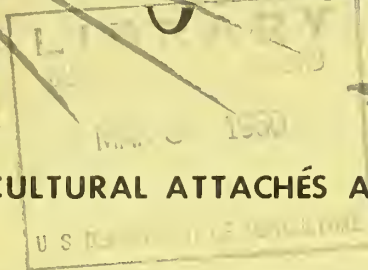
Spotlight

ON FOREIGN MARKETING

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TO U.S. AGRICULTURAL ATTACHÉS AND FAS STAFF MEMBERS

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A NEW WORLD MARKETING AGREEMENT FOR SOYBEANS was signed on January 28 between FAS and the Soybean Council of America. Howard Roach, president of that organization, and Volorus Hougen, Chief, Foreign Marketing Branch, FAS Fats and Oils Division, are off on a 18-country trip to launch the new project. It is expected that the World Agreement will increase the number of countries in which the Soybean Council and FAS have market development activities from nine to over 30. The Council's contribution for the current fiscal year slightly exceeds a quarter million dollars.

In addition to the Rome area office, additional area offices are being considered for New Delhi, India; Bogota, Colombia, and a location in West Germany to be selected at a later date.

While out of the U. S., Roach and Hougen are expected to visit trade fairs in New Delhi and Bombay, India, and Verona, Italy, in which soybeans and soybean products are being featured.

NONFAT DRY MILK IS BACK ON THE LIST FOR COMMERCIAL EXPORT SALES. After several months of short supply, this commodity is again being offered for dollars as of February 1st. "The nonfat will be sold on competitive bids pursuant to invitations to bid to be issued by CSS Commodity Offices." Although nonfat is included on the February CCC Sales List, all of the details of the competitive sales operation are not yet available. This announcement is made so that agricultural attaches abroad will have an opportunity to alert the trade in their areas. Terms and conditions of sales will be available shortly.

"STEVE" STEPHANIDES, AGRICULTURAL OFFICER IN THE BELGIAN CONGO, REPORTS that "Spotlight has been very informative and timely in getting information to the trade who cannot wait for time-consuming correspondence. The yellow tables 'Guide to Commercial Sales' are also very useful. I have been mailing them to three large importers of fruits and other perishable food products. As a result of this timely information, one of the large cold storage and importing companies is seriously studying the cheapest method of importing fresh citrus from the United States."

Twelve copies of the list are now being mailed to that post; others who wish to increase the number they receive may do so by sending their request to Editor, Spotlight on Foreign Marketing.

IOWA HOGS, AND THE CORN TO FEED THEM, WERE SHIPPED TO JAPAN recently as a combination good will gesture and market promotion project. The hogs and feed were sent to Yamanashi Prefecture following severe typhoon damage to the area.

Secretary Benson said making the corn and hogs available to the Japanese "not only advances the Department's abroad program of foreign agricultural market development, but further implements this country's policy of sharing its agricultural bounty with distressed people abroad," which is in keeping with the President's People-to-People program.

The project is a follow-up of a visit into the feed grain area of the U. S. by the Japanese Agricultural Attache, who has been aggressive in his endeavor to stimulate market development projects for U. S. feed grain in his country. Reports regarding Japan as a potential market for feed grains are optimistic.

The hogs were donated by Iowa farmers; the 60,000 bushels of corn to feed them was donated by CCC. Leadership for the venture, along with transportation, was furnished by the Air Force as a community relations effort. FAS made arrangements through the National Corn Grower's Association for sending two technicians to accompany the hogs on the trip, and to organize the maintenance and feeding program.

WEST GERMANS EATING MORE POULTRY; IMPORTS FROM U.S. CONTINUE TO RISE. West Germans ate 3 pounds more poultry per person in 1959 than in 1958, according to estimates of trade circles there. Per capita consumption rose from 6 pounds to 9 pounds.

At the same time, U. S. exports of frozen poultry to West Germany rose some six-fold from about 7 million pounds in 1958 to over 50 million in 1959. The United States became West Germany's second largest supplier, outranked only by the Netherlands--the traditional supplier.

The sharp rise in West German consumption of poultry is attributed to the fact that prices for red meat continued to rise while prices of imported poultry were lower and the volume of imports increased. Prices of all poultry (imported and domestic) in 1959 averaged 10 percent below the 1958 level, and broilers and stewing chickens were down 15 percent. Other factors that helped to popularize poultry in Germany were an increase in the number of grocery stores and butchers that offered poultry for sale, and the growing availability of well-dressed, well-packed, oven-ready poultry.

THE 1960 MAID OF COTTON will pack her 22 suitcases with latest cotton fashion creations and head for Europe in June. She will lend her beauty and talents to the promotional efforts of the Cotton Council International in England, France, Belgium, Greece, Italy, and will appear at the U. S. exhibit in Barcelona, Spain.

The new "Maid" placed second in the 1958 Miss America Contest. Her name is Sandra Lee Jennings, and her home is Riverside, California. She is nineteen years old. Her natural beauty and her ability to design and sew her own clothes have won her many honors.

CCC MONTHLY SALES LIST FOR FEBRUARY 1960: Nonfat dry milk, cheddar cheese, cotton (upland and extra long staple), peanuts, wheat, rice (rough and milled), corn, oats, barley, rye, grain sorghums, soybeans, linseed oil, and tung oil.

Major changes in the list of February include the return of nonfat dry milk to the list on a changed basis (see separate story); the dropping of gum rosin because all stocks have been sold; and an increase of $\frac{3}{8}$ of 1 percent in the per annum interest rates on export credit sales. Rye has been added to the list of commodities currently eligible for barter.

All commodities currently offered for sale by CCC, plus tobacco from CCC loan stocks are eligible for export sale under the CCC Export Credit Sales Program. The following commodities are currently eligible for barter: Cotton, tobacco, rice (milled), wheat, corn, barley, rye, and sorghum grain. This list is subject to change from time to time.

Interest rates per annum under the CCC Export Credit Sales Program for February 1960 are $5\frac{1}{2}$ percent for periods up to six months, 6 percent for periods from over six and up to 18 months, and $6\frac{1}{2}$ percent for periods from over 18 months up to a maximum of 36 months.

SIDLER RETIRES, DRIGGS TAKES OVER AS IAPI REPRESENTATIVE IN EUROPE. An important personnel change in the Institute of American Poultry Industries' European Office was announced recently. C. E. Sidler, who has headed this operation from its inception three years ago, is retiring. He is being succeeded by Edmond Driggs of California, who has had wide experience in the advertising and promotion fields. Driggs joined the staff of IAPI in Chicago on January 4, and will take over his new duties immediately after the conclusion of the IAPI Fact Finding Conference this month. His headquarters in Europe will be Frankfurt, West Germany.

Commercial sales of about 80 million pounds of U. S. poultry to W. Europe in 1959 is a tribute to the job done by "Sid" during his stay. This outstanding record will also serve as an excellent "launching pad" for Mr. Driggs who will strive to improve this new and expanding market.

TEXAS GRAPEFRUIT IS "RUBY RED" because it's supposed to be that way. Educating the Dutch that the color is "natural," not the result of artificial coloring or freezing, is part of a market promotion program being carried out by the American Farm Bureau Foreign Trade Office in Rotterdam. Citrus importers and distributors, as well as members of the press, were invited to the Trade Center for a sample. A similar demonstration is planned at a later date in Hamburg, W. Germany.

U.S. HOPS UNDERSELL NATIVE GERMAN VARIETIES by at least five cents per pound. American hops have long been competitive with foreign hops, in both price and quality, in all world markets.

The U.S. is the world's largest producer and exporter of hops. During the 1958-59 marketing season (Sept.-Aug.) exports amounted to 18.4 million pounds, more than 38 percent of the domestic production of 48.4 million pounds.

(1959-1960)--THE BIG PUSH IN MARKET DEVELOPMENT. A rash of editorials have appeared recently summarizing major developments during the past decade. The one in the January 1960 issue of Foreign Agriculture points up the importance of the various aspects of P. L. 480.

Notable among these was cooperative market promotion for agricultural products which got under way in the last five years of the decade. There have been many milestones in this work, so far, including 368 projects in 44 countries. A measure of the progress is seen in the growing number of trade organizations active in overseas work. The quarter-million dollars recently put up for this work by the Soybean Council of America, as reported elsewhere in this issue, is illustrative. That organization did not exist five years ago.

Several other new organizations have been formed and old ones have been reorganized. New and old wheat groups have pooled their resources to add strength and continuity to their efforts.

Trade fair exhibits have established themselves as an accepted method of showing our wares in foreign countries. Generally involving a multi-commodity approach, these exhibits have complimented the foreign promotional activities of these commodity groups. Where there was no commodity cooperator at the beginning trade fairs have taken the leadership, such as in the case of the feed grains industry which has now established an organization to help carry out its overseas promotional work.

WHEAT UTILIZATION TEAM ON FAR EAST MISSION. A fact-finding team representing the Wheat Utilization Committee, which in turn is an outgrowth of the Food for Peace Conference held in Washington last spring, left Washington early this month to explore possibilities of making more effective use of wheat in India and Indonesia. First stop was Japan where wheat utilization work already in progress is being surveyed as a guide to the other studies.

The committee will investigate and make recommendations upon (a) the possibilities of increasing use of wheat to improve nutritional levels of populations in countries visited; (b) the extent to which wheat can be further utilized in the economic development programs of the countries concerned; and (c) the extent to which promotional and market development projects might eventually increase commercial outlets for wheat in these countries.

Argentina, Australia, Canada, France and the U. S. are represented on the Wheat Utilization team. Representing the U. S. are: Richard H. Roberts, Deputy Assistant Administrator, Market Development and Programs, FAS, for the Department; E. Richard Lippincott, ICA, and Terrance McDonald, Wheat Technologist, Western Wheat Associates.

COTTON VOTED MOST VERSATILE FIBER. Cotton's characteristics came in first when over 2,000 housewives in Pennsylvania were asked by AMS and Penn State interviewers what they wanted most in a dress fabric. What they look for most, the housewives stated, was ability to hold shape, resistance to wrinkling and colorfastness. They considered cotton suitable for all summer situations by a substantial majority; its versatility is also evident for winter use.

Copies of the report are being sent to all attache posts in the near future.

PAST, PRESENT, AND PROPOSED MARKET DEVELOPMENT
PROGRAMS, LIVESTOCK AND MEAT PRODUCTS DIVISION, FASBy Dalton Wilson, Chief
Foreign Marketing Branch

In 1959 the value of livestock and meat products exported totaled nearly \$300 million. In terms of value, tallow accounted for 34 percent, hides and skins 19 percent, meat 18 percent, lard 18 percent, mohair 4 percent, casings 4 percent, and livestock 3 percent of the value of total exports. During 1959 market development activities for livestock and meat products were conducted in 21 countries. For the purpose of discussion I have classified our market development activities into seven major categories.

I. Market Studies

We feel that this type of activity is a prerequisite to a market promotional program. The purpose of this type of project is to study the existing and potential markets for our products. Discussions are held with foreign trade groups, government officials, etc., and emphasis is placed on market procedure and problems pertinent to increased exports of our products to these countries. This information is utilized in designing projects which would be most effective in maintaining and expanding existing markets and developing potential markets. A recent example of this type of study was the tallow study team which visited 9 Latin American countries during September and October 1959.

II. Technical Study Teams to Investigate Specific Complaints.

1. In 1956 a U. S. tallow study team was sent to Japan to discuss technical and trade problems with Japanese importers and industry officials. Problems concerning alleged shortage in shipping weights had arisen because of differences in the methods of sampling and types of equipment used. Some serious problems in the quality of bulk shipments of tallow had also arisen. Prior to this study mission, claims were received on practically every shipment of tallow from the U. S. to Japan. During the year following the team's visit not one single complaint was received.
2. In the fall of 1958 a 3-member hide and skin team visited Japan to evaluate complaints by the Japanese concerning U. S. hide shipments. The Japanese tanning industry had indicated their dissatisfaction with many U. S. hide shipments. They stated emphatically that unless these problems

were solved they would shift their purchases of hides and skins to markets outside the U. S. Japan is the leading export market for U. S. cattle hides. In 1958 U. S. cattle hide exports to Japan accounted for 27 percent of total U. S. exports. In 1957 about two-thirds of the cattle hides utilized in Japan originated in the U. S. It was the prime recommendation of the hides and skin study team that every means possible should be explored to bring about improvements in U. S.-Japan hide and skin trade relationships.

3. In the fall of 1959 a 5-member hide study team from Japan visited the United States. This group consisted of Japanese hide and leather industry representatives and government officials. During the visit members of the team were provided an opportunity to acquaint themselves with the various U. S. methods of handling hides and skins at the different stages of processing. The group also had opportunities to discuss with members of U. S. industry and with government officials marketing problems involving past shipments and necessary measures for solutions.

The exchange of technical teams between U. S. and Japan has been effective in resolving some of the problems. U. S. industry groups will need to continue to work on these problems if this important dollar market is to be maintained or expanded.

III. Livestock Market Development Programs

1. Livestock Purchase Mission

This type of project consists of bringing livestock producers from foreign countries to the United States. These groups are given the opportunity to observe and purchase the types of livestock most suitable to their particular needs.

A recent example of this type of project was a livestock purchase mission from Chile in July 1959. A 3-member livestock-buying mission from Chile purchased about 90 head of livestock which consisted of dairy cattle, sheep, hogs, and goats. The estimated value of these purchases totaled \$70,000. The Chilean Minister of Agriculture and producers who received these animals were very pleased. It is felt that this project was instrumental in stimulating interest in, and creating demand for U. S. livestock and will result in further sales to Chile.

2. U. S. Judges at Livestock Expositions

U. S. livestock marketing specialists and U. S. livestock judges have participated in several Latin American Livestock Expositions. In addition to participating in the judging they also consulted with foreign Government Officials, Livestock Associations, and producers concerning the improvement of livestock in their country. They also conferred, demonstrated their techniques, and held informal meetings with foreign breeders, producers, and Agricultural Organizations. They have pointed out to livestock groups the benefits to be derived by upgrading their herds and flocks by using U. S. breeding stock.

For example, U. S. livestock judges were provided in Bogota, Girardot, and Buga, Colombia in 1959. A U. S. judge also participated in the 1959 Chilean National Swine Exposition. Other types of market development for livestock have included introductory type projects, establishment of demonstration herds, and exhibiting U. S. animals at Livestock Expositions. In our judgment, the supplying of U. S. judges and the bringing of bona fide purchase missions to the U. S. have been our most effective types of livestock development projects.

The buying mission from Chile was a direct result of our providing livestock judges for two years in Chile.

The Colombian Government issued two separate decrees in 1959 which removed the ban on importation of most classes of breeding livestock. This action opens the door for increased sales of U. S. livestock to what once was our major cattle export market. In our opinion the elimination of these trade barriers were the direct result of our supplying livestock judges to Colombia.

IV. Advertising and Promotional Campaigns

During the past two years an extensive promotional campaign for soap has been conducted in Japan. The Agricultural Attache in his evaluation of this project states, "that the project represents an outstanding example of market development activities." Exports of U. S. tallow to Japan during the Jan-Sept period of 1959 were 16 percent above the corresponding period of 1958. It has been estimated that tallow exports to Japan in 1960 may total 300 million pounds, an increase of nearly 100 percent from the 1951-55 average.

Japanese Government Officials announced their decision to place tallow and lard on the automatic approval list effective April 1, 1960. Beef tallow from Australia and New Zealand is imported under the A.A. system

while tallow from the U. S. is imported under the F.A. system. The placing of tallow on the automatic approval list will improve the United States' competitive position with our major competitors, Australia and New Zealand, for this product. Our market development activities for soap in Japan was a major factor in bringing about this important change.

V. Development of Materials to be Used in Market Development Programs

In 1959 a film entitled "The Raw Material of Magic" was produced and shows modern methods of processing, handling and shipping animal fats and proteins. English, French, Spanish, Italian, German, and Japanese sound tracks have been produced to accompany the showing of this film. For our market development activities for lard in Germany, a film depicting the high quality of U. S. lard was produced.

In Japan, a movie entitled "Soap and Children" was produced as a part of our market promotional campaign for soap in Japan. Numerous publications on U. S. products have been translated and disseminated throughout the world. For example, fat and feed bulletins in Latin America and Western Europe.

VI. Participation in Trade Fairs

This Division has also promoted meat and meat products by participating in Trade Fairs in London, Cologne, and Osaka.

VII. Market Development Activities Planned for 1960

1. Continuation of highly successful market promotional program for soap in Japan.
2. Initiation of a leather and shoe promotional program in Japan.
3. Initiation of soap promotional campaign in Colombia and perhaps other Latin American countries.
4. A market study for tallow and greases in 9 European countries -- Spain, Italy, Germany, Austria, Greece, France, Netherlands, Belgium, and Switzerland.
5. Supply livestock judges to Colombia, Chile, and Venezuela.
6. Livestock purchase teams from Chile, Colombia, Ecuador, and Honduras.
7. Participation in trade fairs--London Food Fair--lard and pork products, Munich, Germany--lard and pork products, and possibility of participating in the major fairs emphasizing feed and feeding.